In the Matter of	)	
Interconnection and Resale	)	CC Docket No. 94-54
Obligations Pertaining to	)	
Commercial Mobile Radio Services	)	

COMMENTS OF VANGUARD CELLULAR SYSTEMS, INC.

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C.

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Vanguard Cellular Systems, Inc. ("Vanguard") hereby submits the following Comments in response to the above-captioned Notice of Proposed Rule Making.[1/]

I. INTRODUCTION AND SUMMARY

In the Notice, the Commission has concluded that it would be premature to propose or adopt rules of general applicability requiring direct interconnection arrangements between Commercial Mobile Radio Service ("CMRS") providers. Underlying this conclusion is the Commission's awareness and analysis of the state of the CMRS marketplace, which is undergoing a "period of profound change and technological development."[2/] Given that too little is known about the technical nature of CMRS-to-CMRS interconnection, the costs involved, or the rules that would best ensure its implementation, the Commission has chosen not to impose regulatory interconnection constraints on an industry that is exploding with emerging competition.

On the other hand, for the same competitive reasons that a general interconnection obligation is not warranted, the Commission has decided that imposition of a cellular-like mandatory resale obligation on all CMRS providers would be a useful means of

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1/ Notice of Proposed Rule Making, In the Matter of Interconnection and Resale Obligations Pertaining to Commercial Mobile Radio Services, CC Docket No. 94-54 (released April 20, 1995) ("Notice").

2/ Id. at ¶ 2.

promoting the CMRS industry's competitive development by "jump starting" the entry of new CMRS entrants at minimal cost to the subject carriers.

In its Comments below, Vanguard supports the Commission's general conclusions in the Notice. Vanguard believes that the Commission's reliance on the informed business judgment of CMRS providers with respect to interconnection arrangements is a wise policy course in view of the tremendous change and competition sweeping the wireless industry.[3/]

Vanguard also does not oppose the Commission's mandatory resale proposal, provided that it is carefully conceived and implemented. Intertwined in the industry-wide dialogue over resale issues are proposals which, if implemented, would wreak severe economic harm on cellular providers, and particularly small and medium-sized carriers like Vanguard. In particular, the Commission should continue to reject proposals by those entities that would require cellular providers to allow resellers to install switching equipment between a cellular network's mobile telephone switching office ("MTSO") and the facilities of local or long distance carriers.[4/] The Commission has rightly concluded that the regulatory mandate for such switch-based resale proposals is non-existent in light of the number of new wireless competitors emerging every day. In view of the state of competition

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3/ Indeed, these same competitive forces should cause the Commission to also refrain from imposing costly and burdensome equal access obligations on independent CMRS providers. Such requirements are simply out of step with the Commission's general efforts to promote developing competition in the CMRS marketplace. See generally Comments of Vanguard Cellular Systems, Inc. (Sept. 12, 1994), Equal Access and Interconnection Obligations Pertaining to Commercial Mobile Radio Service, CC Docket No. 94-54, Notice of Proposed Rulemaking and Notice of Inquiry, 9 FCC Rcd 5408 (1994).

4/ Only resellers and the California Public Utility Commission (""CPUC") supported such proposals. See Comments of the National Cellular Reseller's Association ("NCRA"), CC Docket No. 94-54; Comments of CSI/Comtech, CC Docket No. 94-54; Comments of CPUC, CC Docket No. 94-54 .

in the CMRS industry, the illusory benefits of requiring cellular carriers to "unbundle" their networks in piecemeal fashion are far outweighed by the enormous costs, administrative and technical complexity such action would engender. This is especially true since there is nothing prohibiting resellers from freely acquiring spectrum to provide mobile services directly, without the need to dismantle the networks and service packages that cellular providers have invested hundreds of millions of dollars to design and create. Accordingly, the Commission should stand firm in rejecting switch-based resale proposals.

II. THE COMMISSION HAS PROPERLY CONCLUDED THAT A GENERAL INTERSTATE INTERCONNECTION OBLIGATION IS UNWARRANTED

A. In General.

Vanguard agrees with the Commission's conclusions that imposition of a general interstate interconnection obligation is premature and unwarranted.[5/] The reasons cited the Notice justifying the Commission's regulatory forbearance are compelling, and wholly support the Commission's decision to leave interconnection arrangements to marketplace resolution.

First, as the responses to the Commission's Notice of Inquiry on interconnection revealed and as the Commission has acknowledged, a generalized interconnection obligation has little record support in large part because the CMRS industry is undergoing rapid technological change.[6/] With ESMR providers like Nextel begin to build out their networks and new PCS licensees beginning to making decisions on fundamental technical standards, it is virtually impossible to form any generalized

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5/ Notice at ¶¶ 29-31.

6/ See id. at ¶ 29; see, e.g., Comments of Vanguard Cellular Systems, Inc., CC Docket No. 94-54 (Sept. 12, 1994), at 21.

conclusions either about the technical nature of CMRS-to-CMRS interconnection or the costs involved.[7/] In addition, because current and emerging mobile communications networks are in such a state of evolution, the Commission is unable to predict the negative consequences that imposing a general interconnection obligation would have on emerging providers' infrastructure development and network efficiency -- another factor that counsels strongly in favor of the Commission's flexible, market-based approach.[8/]

The Commission is also correct in its analysis that mandatory CMRS interconnection is unnecessary because all CMRS providers currently can interconnect with users of any other network through the LEC network.[9/] This option greatly reduces the potential for CMRS providers to use denial of interconnection as an anticompetitive tool because it eliminates the possibility that a CMRS carrier could limit another provider's service by refusing to interconnect.[10/] In addition, LEC interconnection will likely remain a technically efficient means of communication between mobile networks for years. To the extent that mobile traffic and usage justifies direct CMRS-to-CMRS interconnection arrangements, carriers will negotiate them as demand requires, without the need for regulatory intervention.

In the final analysis, direct CMRS interconnection will arise when it makes business sense to do so. The current state of the CMRS marketplace fully supports the Commission's expectation that in an environment with numerous facilities-based CMRS

7/ For example, there currently is no protocol to link a system utilizing an IS-41-based switch to a switch for a PCS system based on the European Group Special Mobile ("GSM") standard, which is expected to be a popular choice for emerging PCS operators.

8/ Notice at ¶ 29.

9/ Id. at ¶ 30.

10/ See id. at ¶ 31.

competitors, there is no need for the Commission to impose artificial and potentially damaging regulatory distortions.

B. Guidelines.

Notwithstanding its decision to leave CMRS interconnection decisions generally to the governance of the marketplace, the Commission has reiterated in the Notice certain basic statutory rights and obligations of CMRS providers as a means of beginning to articulate some general policy guidelines to encourage the development of a competitive CMRS industry.[11/]

Vanguard supports the Commission's emphasis of basic common carrier rights and reliance on the Section 208 complaint process to address those instances in which interconnection disputes arise.[12/] Vanguard also agrees that market power analysis should be a key component in the Commission's Section 201(a) public interest analysis to determine whether imposition of specific interconnection obligations, although other policy goals and interests should be accounted for in the balancing as well.[13/]

In this regard, Vanguard notes that applying such an analysis generally to the CMRS industry once again supports the Commission's decision not to impose a mandatory CMRS interconnection obligation. There is currently no evidence that any class of providers exercises market power in the relevant product market for CMRS services. Furthermore, any concerns that might justify regulatory action daily become more attenuated as new wireless competition continues to emerge. While the Commission should remain vigilant and

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11/ Id. at ¶ 38

12/ See id. at ¶¶ 37-40.

13/ Such additional factors include: i) efficient provision to consumers of service at reasonable prices; ii) establishing a regulatory structure that will foster competition; and iii) promoting and achieving the broadest possible access to telecommunications networks and services by all telecommunications users. See id.; CMRS Second Report and Order, 9 FCC Rcd at 1417-22.

monitor the CMRS marketplace for the existence of market power and possible efforts by CMRS providers to deny interconnection in order to gain an unfair competitive advantage, the Commission should affirm its conclusion that "the decision of interconnection 'where warranted' is best left to the business judgement of the carriers themselves."[14/]

C. Preemption of state-imposed interconnection obligations.

Given the sound policy reasons underlying the Commission's decision to refrain from imposing a general interconnection obligation on CMRS providers, the FCC should preempt states' ability to undercut the Commission's analysis and policy decision, and should preempt their authority to regulate CMRS interconnection.

The Commission's ability to exercise preemption authority is well settled where it is clear that interstate and intrastate services are inseparable and that state regulations would thwart or impede the Commission's public policies.[15/] The Commission

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14/ Notice at ¶ 37. Contrary to the Commission's tentative conclusion with respect to the Equal Access phase of this proceeding, Section 201 analysis supports the same approach with respect to equal access that the Commission has adopted here, i.e., abstaining from regulatory intervention in an already-competitive CMRS marketplace as emerging competition develops. Vanguard has shown that the Commission's proposal to extend equal access obligations (originally created to address RBOC control of local exchange bottleneck facilities) to small and medium-sized independent cellular providers like Vanguard -- who have never been subject to such restrictions -- fails both the "market power" and "public policy" tests of Section 201. See Comments of Vanguard Cellular Systems, Inc., CC Docket No. 94-54 (Sept. 12, 1994), at 5-8. The complete absence of evidence of independent cellular provider market power, combined with the rapid introduction of new competitive CMRS alternatives, makes unnecessary another layer of costly and burdensome equal access regulations. Id. at 8; see also id., Attachment 1, Statement of Professor Jerry A. Hausman (Sept. 9, 1994), at ¶ 8 (observing that a competitive marketplace featuring multiple wireless competitors provides a far better means of protecting consumers than an interventionist regulatory process, which in the end will benefit only large IXCs and result in higher costs to both cellular providers and consumers).

15/ Louisiana Public Service Comm'n v. FCC, 476 U.S. 355, 375 n.4.

has already exercised its authority to preempt state regulation over the kinds of and rights to CMRS interconnection with LECs.[16/]

The same authority supports the Commission's ability to preempt the states here. The Notice recognizes that the imposition of a mandatory CMRS interconnection requirements at this time simply has too much potential to have a detrimental impact on the CMRS industry. In view of this conclusion, the Commission should explicitly preempt the states from mandating CMRS interconnection or otherwise regulating interconnection in a manner that would subvert Commission efforts to establish uniform CMRS policy.[17/]

16/ See In the Matter of Implementation of Sections 3(n) and 332 of the Communications Act, Regulatory Treatment of Mobile Services, GN Docket No. 93-252, Second Report and Order, 74 Rad. Reg. 2d (P & F) 835, at ¶¶ 230-31; See In the Matter of the Need to Promote Competition and Efficient Use of the Spectrum for Radio Common Carrier Services, Declaratory Ruling, 2 FCC Rcd 2910 (1987), at ¶¶ 17-18. The Commission recently denied several state requests to retain authority over interstate cellular service rates, finding that the states had not met their burden of proof in seeking to show that market conditions are failing to protect consumers from unjust or unreasonable rates, or unjustly or unreasonably discriminatory rates -- the prerequisite for overcoming federal preemption of CMRS rates. See, e.g., In the Matter of Petition of the People of the State of California and the public Utilities Commission of the State of California to Retain Regulatory Authority Over Intrastate Cellular Service Rates, PR Docket No. 94-105, Report and Order (released May 19, 1995), at ¶ 96.

17/ Vanguard agrees with McCaw that, regardless of the specific interconnection policy adopted by the Commission, state regulation of CMRS interconnection is fundamentally inconsistent with the goal of a seamless national wireless infrastructure:

> The recognition of mobile telephone units, the assignment of frequencies, the supervision of call "hand-offs," and the routing of calls are integral components of a CMRS network. The imposition of state interconnection policies requiring interconnection with CMRS facilities or the unbundling of these and other CMRS network functions would effectively negate nationwide CMRS service by forcing CMRS providers to engineer and construct state-specific CMRS facilities. McCaw's cellular networks have evolved to a point where "local" systems are now served by centralized signalling hubs that support multi-state regions. One can expect that similar architectures will be common among ESMR and PCS operators. Carriers utilizing such regional architecture could discover that compliance with a multitude of state interconnection and unbundling requirements would likely be cost prohibitive. At a minimum, compliance with state interconnection requirements would undermine

III. NO REGULATORY ACTION IS WARRANTED WITH RESPECT TO CMRS ROAMING

CMRS "roaming" occurs when the subscriber of one CMRS provider enters the service area of another CMRS subscriber with whom the subscriber has no pre-existing service or financial relationship, and attempts either to continue a call in-progress, to receive an incoming call, or to place an outbound call.[18] In its earlier Notice of Inquiry the Commission requested comments on whether it should allow some or all CMRS providers to permit other CMRS providers to use their systems on a roaming basis and whether the Commission should require technical compatibility of equipment with respect to roaming.[19] In the Notice, the Commission has decided once again to defer to the marketplace with respect to the resolution of roaming issues, but has pledged to monitor carefully the development of roaming service in recognition of its status as an increasingly important feature of mobile telecommunications.[20]

Vanguard supports the Commission's market-based approach. The changes that have been sweeping the wireless industry with respect to roaming service through private negotiations have been dramatic. Regional and nationwide CMRS systems and marketing arrangements have been rapidly evolving, and the trend in roaming service and pricing already is validating the Commission's hope that CMRS providers will implement "nationwide seamless roaming networks" and offer "roaming service to subscribers at

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technological innovation by diverting CMRS resources to the re-engineering of existing network architectures.

Comments of McCaw Cellular Communications, Inc., CC Docket No. 94-54 (Sept. 12, 1994), at 19-20.

[18] See Notice at ¶ 45.

[19] Interconnection NOI, 9 FCC Rcd at 5464-65.

[20] See Notice at ¶¶ 54-56.

attractive, cost-based rates."[21/] Moreover, the participation of cellular-affiliated companies in the broadband PCS A/B block auctions means that cellular providers will have every incentive to continue to provide and develop ubiquitous roaming capability across CMRS systems in response to customer demand. Given these marketplace developments, there does not appear to be any need for the Commission to take regulatory action with respect to roaming at this time.[22/]

Vanguard wishes to underscore, however, the importance of the Commission's monitoring effort with respect to roaming issues. Although broadband PCS MTA winners, for example, may have incentives to develop ubiquitous roaming capability across cellular and PCS systems, it may be that these companies eventually will have incentives not to enter

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21/ See, e.g., Business Wire (May 11, 1995) (reporting that in direct response to customer requests for simplicity and lower costs in roaming, Cellular One has implemented local roaming rates throughout all of California, dropped charges to .75/minute nationwide, and eliminated roaming surcharges); Mobile Phone News (April 10, 1995) (noting that BellSouth Mobility simplified and reduced its roaming rates for its customers travelling in B-side markets of Alltel, Ameritech, GTE Mobilenet, Southwestern Bell Mobile systems and US West, covering 450 cities and saving customers as much as 75%); "Take the Intermountain Advantage," The Salt Lake Tribune (Aug. 21, 1994), at J7 (describing arrangement between US West and Cellular, Inc. which accords US West customers preferred roaming rates of .85/min. with no daily access charge over a five-state region); "SouthWestern Bell Labors to Change Roaming Structure," Mobile Phone News (July 11, 1994) (reporting that SW Bell has negotiated separately with 56 cellular carriers to cut roaming rates in 564 service areas across the United States).

22/ There are also situations where a mandatory roaming obligation would conflict with measures that cellular providers must sometimes take to protect their customers. For example, cellular providers on occasion have been forced to suspend roaming agreements with certain partners in order to prevent against the widespread problem of fraud, which CTIA estimates cost U.S. cellular providers nearly $500 million in 1994. See Cellular Marketing (March 1995), at 20 (observing that problem of cellular fraud is so widespread that carriers have suspended agreements with some roaming partners and formed alliances with others in an attempt to protect customers); "Bell Atlantic Mobile, Cellular One, NYNEX Take Steps to Guard Against Fraud," Mobile Phone News (Jan. 16, 1995) (noting that Cellular One suspended automatic roaming and call delivery services to New York City because of fraud problem). In addition, it is sometimes important for home carriers to retain the flexibility to refuse to enter into a roaming arrangement in situations where another CMRS provider is proposing to unreasonably overcharge the home carrier's customers for roaming service.

into roaming agreements with other carriers in different markets once they achieve a nationwide wireless footprint. For example, where a broadband PCS provider also holds cellular properties in one of Vanguard's markets, that carrier may be incented more to develop PCS/cellular roaming capability across its own systems, and correspondingly less inclined to enter into or maintain a reciprocal roaming agreement with Vanguard to allow Vanguard subscribers to roam on its system. If such discrimination were to occur, the justification for Commission intervention in the roaming area would become more compelling.

IV. THE COMMISSION SHOULD CAREFULLY IMPLEMENT ANY CMRS RESALE OBLIGATION

Vanguard does not oppose the Commission's tentative conclusion that the existing obligation on cellular providers to permit resale should be extended to apply to appropriate classes of CMRS providers. The Commission has a long history of encouraging resale, and a requirement that CMRS licensees provide resale could, if properly implemented, have an overall effect of promoting competition in the CMRS marketplace. Vanguard does not dispute the Commission's policy judgment that CMRS resale could help to police price discrimination, mitigate so-called "head-start" advantages among CMRS licensees, provide a certain degree of secondary market competition, and generally stimulate overall demand for CMRS services.[23/] Vanguard urges the Commission, however, to impose reasonable limitations on any resale obligation that it adopts in order to prevent distortion of what is generally a pro-competitive policy.

Specifically, the Commission is correct that the ability to resell other CMRS services could be used by new facilities-based carriers to enter a particular market in advance of the completion of their systems and begin competing with existing wireless providers more

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[23/] Notice at ¶ 84.

quickly, thus establishing a customer base and a marketing presence. On the other hand, it is possible that a large PCS MTA licensee entering a market before it is facilities-based will create a large temporary surge in the demand for wireless capacity, which it will invoke the CMRS resale obligation to meet. If the resale obligation is not properly tempered by a rule of reason, existing cellular providers could be forced to incur huge capital expenditures to rapidly expand their networks in an inefficient manner in order to accommodate such surges in demand. Once such traffic is ultimately transitioned back to the PCS licensee's network when facilities are constructed, cellular carriers could end up "stuck" with overbuilt and inefficient networks and long-term commitments to older technology as a result of having to meet the mandatory unrestricted resale obligation.

Accordingly, Vanguard urges the Commission to acknowledge that implicit in any mandatory resale obligation is the corollary that cellular carriers will not be compelled to expend significant capital resources to expand their networks merely to accommodate unreasonable reseller demands for CMRS capacity. The Commission should let the marketplace and good faith negotiations dictate the reasonable terms and conditions of resale agreements.

If a mandatory resale proposal is adopted, Vanguard agrees with the Commission that the obligation should sunset once a licensee becomes fully operational. Once this occurs, the "headstart" rationale justifying the resale obligation ceases to exist. Vanguard believes that there should be no mandatory resale to facilities-based competitors after five years. This was the "window" adopted in the cellular context, and worked well to preserve the obligation and incentives of cellular providers to build out their systems. A five-year sunset periods also corresponds to the first phase of the build-out requirement of 30

MHz PCS licensees, who must serve 1/3 of population of their service areas within five years of license grant.[24/]

In implementing a mandatory resale obligation, the Commission has asked how it should establish what constitutes a "facilities-based competitor," given that the current cellular resale rule does not translate readily into the broader CMRS context, which features a variety of different services and license areas.[25/] Vanguard suggests that the Commission conform its concept of "facilities-based competitor" in the resale context to those services that currently are subject to the CMRS spectrum cap -- cellular, broadband PCS and ESMR/SMR.[26/] In this fashion, the resale requirement would be tailored to be congruent with the CMRS services that the Commission has considered to be most substitutable from a competitive standpoint.

One other implementation issue the Commission has raised in the Notice with respect to resale concerns number transferability, and whether such requirements should be made an express part of the Commission's CMRS resale policy.[27/] Vanguard believes that this issue, while important, is more appropriately addressed in a general proceeding on number portability once the CMRS market becomes more mature. While it is possible that number transferability could aid the resale market, compatible dual-mode equipment will be necessary before customers can truly switch among wireless networks such as cellular and PCS. Given that the extent of the demand for such equipment is unclear, it is difficult to

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24/ See 47 C.F.R. § 24.203.

25/ See Notice at ¶ 93.

26/ See 47 C.F.R. § 20.6.

27/ The Commission defines "number transferability" as the capability of a CMRS reseller either to migrate its customers' numbers to its system when completed, or to move its block of numbers to other facilities-based providers in the event that the reseller is able to negotiated a better wholesale rate from another provider. See Notice at ¶ 94.

determine whether and how much requiring number transferability would encourage CMRS resale. In the absence of such information, the Commission should refrain from incorporating number transferability requirements into its CMRS rules at this time.

V. THE COMMISSION HAS PROPERLY REJECTED SWITCH-BASED RESALE PROPOSALS

In the earlier phase of this proceeding, the CPUC and certain cellular resellers proposed a drastic form of "interconnection" that would have truly disastrous consequences for the CMRS industry.[28/] These parties proposed that resellers should have a right to physically interconnect their own switches in to cellular providers' networks and have the concurrent right to "unbundle" them on a piecemeal basis, i.e., only pay for usage of certain portions of the cellular provider's network. In the Notice, the Commission has properly rejected the reseller proposals by highlighting both the lack of need for them and the harm and increased costs they would impose on industry, the Commission and most importantly, on consumers. The Commission should affirm this conclusion.

Resellers presently provide cellular service to customers today without switch-to-MTSO interconnection. They can interconnect directly with cellular providers or, at a minimum, they can obtain interconnection with other CMRS providers through LEC facilities. Reseller connection at a carrier's switch would not provide any benefits to end users beyond those that are currently available.

In addition, switch-based resellers will have many more opportunities to interconnect directly with CMRS networks in the near future. The market for mobile voice telecommunications will include up to six broadband PCS licensees who have already or will soon purchase their licenses at auction. Wide-area SMR providers are also beginning to

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28/ See Comments of the CPUC at 4-5; Comments of NCRA at 12-16; Comments of CSI/ComTech at 1, 4-12.

provide full-blown CMRS service. The influx of new wireless facilities-based competition once again shows that the need for resellers to physically attach to cellular networks is utterly unnecessary.[29/]

The lack of need for switch-based resale is compounded by the technical havoc and increased cost it would engender. For example, as McCaw has observed, the resellers' switch proposal would duplicate functions performed by cellular systems (e.g., retention of call detail information) without relieving cellular carriers of the obligation to perform these functions as well."[30/] At the same time, the connection of a reseller's switch to that of a CMRS provider would degrade the quality of cellular service for reseller customers by forcing calls to be routed through an additional transmission link and deprive customers of existing roaming capabilities.[31/]

The Commission's decision not to mandate switch-based resale sends the right signals to the CMRS marketplace, which is critical at this stage of CMRS service and industry development. Companies have invested and are preparing to invest literally billions of dollars in the CMRS industry. A rule that would permit a resellers to "free-ride" on the

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29/ Switch-based resellers' attempts to analogize themselves to Competitive Access Providers ("CAPs") and bootstrap themselves into the Commission's policies of expanded interconnection on the wireline side of telecommunications are wholly unpersuasive. See Comments of NCRA, CC Docket No. 94-54 (Sept. 12, 1994), at 12. These policies are intended to "open[] the remaining preserves of monopoly telecommunications service to competition" because, unlike facilities based CMRS providers, LECs in many instances continue to retain bottleneck control over access to the public switched network. See Expanded Interconnection with Local Telephone Company Facilities, 7 FCC Rcd 7369, 7372 (1992). As shown above, this is simply not the case in the current CMRS marketplace. Indeed, in view of the present opportunities presented through the Commission's various auctions of spectrum suitable for mobile services there is nothing that prevents resellers from becoming full-fledged facilities-based CMRS competitors if they are willing to risk their capital to do so.

30/ See Comments of McCaw Cellular Communications, Inc. (Sept. 12, 1994), at 15.

31/ Id.

sacrifices and innovation of others, and to pick apart the networks that facilities-based CMRS providers have worked so diligently to construct, would lead to a decrease in investment in new facilities by current and emerging providers in the long term.

In its recent denial of the CPUC's petition to retain regulatory authority over intrastate cellular service rates, the Commission reaffirmed that the framework of its CMRS regulatory policy is comprised of "moderate regulation, symmetrical regulation of services as appropriate, and a preference for curing market imperfections by lowering entry barriers in order to encourage competition rather than by regulating existing licensees."[32/] In keeping with this framework, the Commission found that the CPUC's analysis in that case did not fairly reflect the speed at which CMRS market structure conditions are evolving.[33/] The same can be said of the CPUC and reseller switched resale and unbundling proposals. The Commission's decision in the Notice to reject them is sound and in accord with the Commission's general pro-competitive CMRS policies.

VI. CONCLUSION

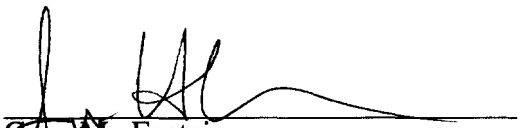
The Commission should affirm the its conclusions set forth in the Notice, subject to the comments set forth above. The Commission's preference for market-based solutions is the best policy to promote the continuing emergence of competition in the CMRS marketplace.

32/ CPUC Order at ¶ 24.

33/ Id. at ¶ 103.

Respectfully submitted,

Vanguard Cellular Systems, Inc.



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